



SENIOR SERVICES MANAGER (SSM) PORTFOLIO MANAGEMENT PROCEDURE

**Document Revision 1.0
Date of Issue: August 2012**

Process/Procedure Owner: Mr. Kenneth Brennan

Table of Contents

1. Introduction	2
1.1 Purpose.....	2
1.2 Roles	3
1.3 Inquiries.....	6
2. Portfolio Management Process	7
2.1 Plan	7
2.2 Analyze	9
2.3 Execute	13
2.4 Assess.....	16
2.5 Share.....	19
2.6 Records Control Table	22
Appendix A – Document Change Control.....	23
Appendix B – SIPOC Diagrams.....	24
Attachment 1 – Portfolio Metrics	28

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012		Version 1.0	Page 1

1. Introduction

1.1 Purpose

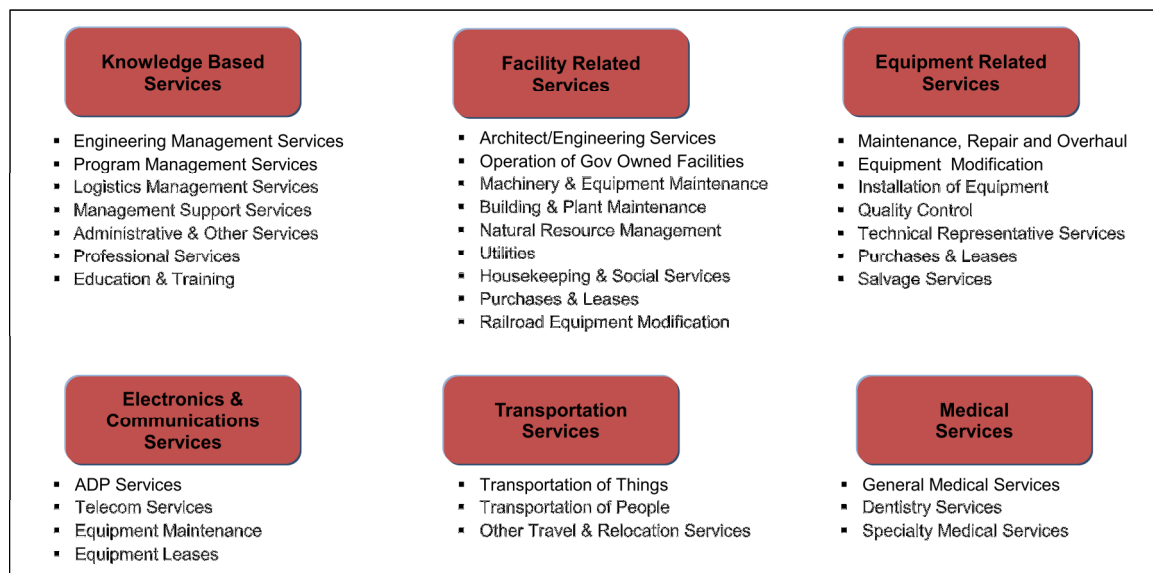
The purpose of this document is to describe the process for Portfolio Management within the Senior Services Manager (SSM) organization.

DON has developed a Senior Services Manager (SSM) organization, responsible for the oversight of the DON's annual obligations in services contracts, to address the significant opportunities to increase efficiencies and reduce costs in services acquisitions. There are six portfolios that the SSM is responsible for: (1) Knowledge Based Services, (2) Facilities Related Services, (3) Equipment Related Services, (4) Electronics and Communications Services, (5) Transportation Services, and (6) Medical Services¹. Each Portfolio has a series of Product Service Codes (PSCs) associated with it that define the broad range of services it contains. The portfolios are further subdivided into a number of sub-portfolio groupings.

SSM Portfolio Managers are Subject Matter Experts (SMEs) responsible for managing their assigned Portfolios.

The graphic below depicts the OSD developed Portfolio Structure.

Portfolio Structure

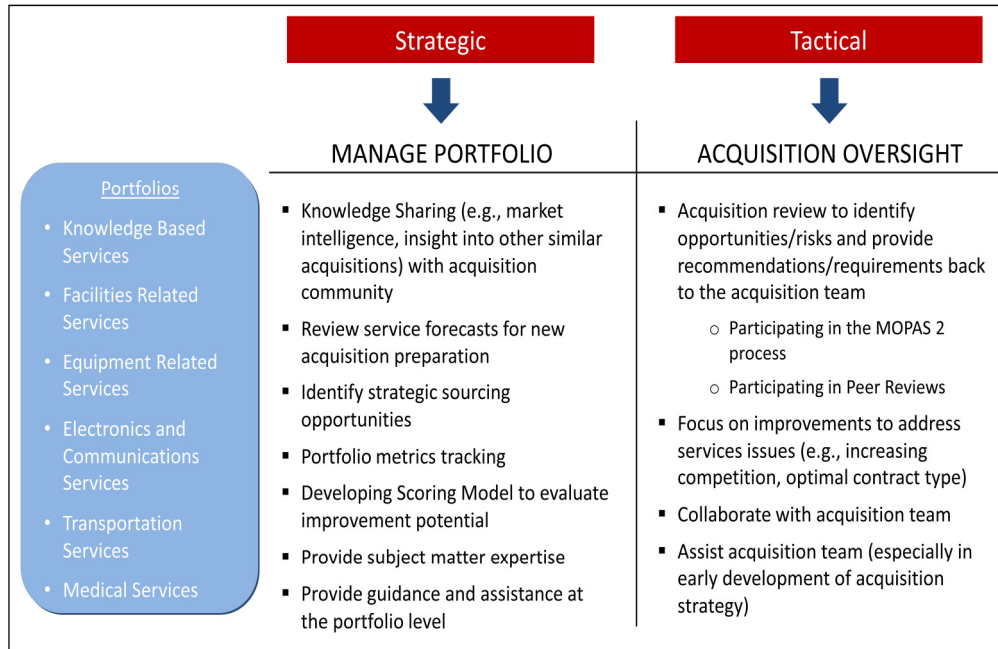


¹ USD (AT&L) memorandum, "Taxonomy for the Acquisition of Services", of 23 November 2010

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 2	

1.2 Roles

Portfolio Manager (PfM). SSM Portfolio Managers are responsible for managing their assigned Portfolios. They do so at both the tactical (i.e. in support of execution of individual services acquisitions) and strategic (i.e. in support of the broader portfolio) level, as shown below.



Services Advocates (SA). The Services Advocate is an acquisition professional position to advocate the oversight of services acquisitions and management of services. As these services cross all types of requirements, the Advocate must have a comprehensive knowledge and understanding of the types of services required by the individual Head of Contracting Activity (HCA).

Services Advocates are executive level points of contact within each command who serve as the channel for key communications related to services acquisition. The intent is that the commands designate an individual who has authority over both the contracting and program management (requirements) communities. As a result, most Service Advocates are the Executive Directors. In a few cases (generally where field contracting is involved) the Services Advocates are the Chief of the Contracting Office (CCO).

Services Advocate Standards are as follows:

- Must have demonstrated competence in analyzing and resolving technical, development, policy and management issues relating to services acquisition and large scale change initiatives.
- Shall be placed high enough in the organization to coordinate and advocate service requirements across the Command.

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 3	

- Must be able to represent the HCA and speak for him/her on all operational and planning issues relating to services acquisitions within his/her HCA.
- Will be responsible for regular assessment of HCA services execution under the SSM provided guidelines and will be culpable for proper execution of services acquisitions during annual health assessment.
- Must have a broad knowledge of the DON's structure, mission and functions including operations and the market / industrial base.
- Must have program/project management experience which demonstrates an understanding of services requirements within DON as well as an ability to manage and be held accountable for the success of complex programs or projects of considerable breadth, including the policies and processes used to manage them.
- Must have an extensive background in services assessment, planning, and acquisition in order to assess, plan, develop, execute and oversee efficiency initiatives related to services acquisition.

Budget Submitting Office (BSO). A DON office responsible for:

- Preparation, compilation, and submission of budget estimates and supporting materials
- Delivering prescribed exhibits and ensuring that subordinate offices submit materials on time
- Ensuring submissions are consistent with DON Review and OSD/OMB budget decisions
- During budget execution, ensuring budget plans are accomplished within available funding

Head of Contracting Activity (HCA). Each HCA is solely responsible for executing its delegated contracting authority for assigned acquisition programs and cognizant areas of responsibilities subject to any established limitation. An HCA has authority to procure supplies and services to support all organic requirements, such as those set forth in SECNAVINST 5400.15, unless such procurements fall within the scope of unique contracting responsibilities assigned to another HCA.

The assigned responsibilities of the DON HCAs are as follows:

- *Installations and Logistics, Headquarters, U.S. Marine Corps (HQMC, I&L)* is responsible for the award and administration of contracts for supplies and services to support installation and logistics requirements of the Marine corps Operating Forces and supporting establishments
- *Marine Corps Systems Command (MARCORSYSCOM)* is responsible for awarding and administering contracts for assigned Marine Corps programs, assigned IT systems programs or components, and relevant

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012		Version 1.0	Page 4

professional, research and engineering services, except for naval aviation programs.

- ***Military Sealift Command (MSC)*** is responsible for awarding and administering contracts for services of ocean-going ships, craft, floating dry docks, and other repair facilities, for purposes such as oceanographic research and survey, underwater research, cable laying, and range instrumentation; and contracts for the maintenance, conversion, and modernization of assigned vessels.
- ***Naval Air Systems Command (NAVAIRSYSCOM)*** is responsible for awarding and administering contracts for naval aviation programs and efforts supported by the Naval Air Warfare Centers, to include relevant logistics, training and professional, research and engineering services. In addition, NAVAIRSYSCOM unique contracting responsibilities include designing, developing, procuring, and supporting naval aviation systems used by the Navy and Marine Corps.
- ***Naval Facilities Engineering Command (NAVFACENGCOM)*** is responsible for awarding and administering contracts for all architect-engineer, construction, utilities, energy, facilities support, and assigned weapon and IT system programs or components associated with Navy expeditionary forces.
- ***Naval Sea Systems Command (NAVSEASYSYSCOM)*** is responsible for awarding and administering contracts for ships and submarines, assigned weapon systems and platforms, and relevant professional, research and engineering services. NAVSEASYSYSCOM unique contracting responsibilities include awarding and administering contracts for construction, maintenance and modernization of ships and submarines, nuclear propulsion, water craft, submersibles, equipage for towing, diving and salvage, and University Affiliated Research Centers.
- ***Naval Supply Systems Command (NAVSUPSYSCOM)*** is responsible for awarding and administering contracts in support of assigned logistics support functions. NAVSUPSYSCOM's unique contracting responsibilities include procuring supplies and services for all non-contracting Navy activities, offices or commands for which no other HCA is delegated authority.
- ***Office of Naval Research (ONR)*** is responsible for awarding and administering contracts and other instruments for assigned DON Science and Technology (S&T) research. ONR unique contracting responsibilities include the award and administration of contracts to the Navy's Federally Funded Research Development Center (FFRDC).
- ***Space and Naval Warfare Systems Command (SPAWARSYSCOM)*** is responsible for awarding and administering contracts in the information dominance domain, including assigned programs in the areas of research and development, systems engineering and development, and other

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012		Version 1.0	Page 5

relevant professional services associated with production, installation and sustainment for Command, Control, Communications, Computers, Intelligence Surveillance, and Reconnaissance Systems (C4ISR); Joint Tactical Radios Systems (JTRS), Space Systems; Enterprise Information Systems (EIS); and Navy Chief Information Officer (CIO) supported information technology initiatives.

- **Strategic Systems Programs (SSP)** is responsible for awarding and administering contracts in support of the development, production, and life-cycle support of the TRIDENT Strategic Weapon System, and other assigned programs under the cognizance of the Director, SSP (DIRSSP).

1.3 Inquiries

For additional information on this Portfolio Management Process, contact DON Senior Services Manager, 703-693-1167 or contact the individual Portfolio Managers:

Portfolio POCs:

Portfolio	Phone
Knowledge Based Services	703-614-9603
Facilities Related Services	703-614-9644
Equipment Related Services	703-614-9596
Electronics and Communications Services	703-693-2631
Transportation Services	703-614-9644
Medical Services	703-693-2631

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 6	

2. Portfolio Management Process

The overarching process for Portfolio Management in the SSM organization is as follows:



2.1 Plan



The **PLAN** phase consists of three major elements:

- SSM Strategic Planning
- SSM Metrics
- Services Acquisition Forecast.

SSM Strategic Planning. Each fiscal year, the SSM engages in a Strategic Planning Process to create a roadmap for the upcoming year. The Strategic Planning Process takes into account the political climate, evolving policy (e.g. Better Buying Power), fiscal realities, and progress toward prior year goals. These factors influence the strategic goals and objectives that drive the direction of the SSM organization in the future. Key initiatives are developed that support the strategic goals and objectives, and may include (1) development of related policies, guidance, and tools; (2) more rigorous oversight; or (3) spend targets in relation to key criterion (i.e. selected PSCs, small businesses participation, etc). The process is completed annually, although major changes in any of the factors may drive off-cycle changes/adjustments to strategic goals, objectives and/or initiatives. Current (FY2012) SSM strategic objectives are identified below.

SSM OBJECTIVES	
<ul style="list-style-type: none"> ▪ Improve Services Acquisition Costs / Performance <ul style="list-style-type: none"> ○ Improve requirements definition (including minimizing "requirements creep") ○ Improve market research ○ Improve use of optimal contract types ○ Increase competition ○ Reduce transaction costs (e.g., work hours, number of people) ○ Provide better contracting tools (e.g., SOW templates, portals, contracting vehicles) ○ Provide strategic management of DOD Services Spend (e.g., leverage services spend across DOD enterprise) ○ Identify demand management opportunities ▪ Improve Schedule and Performance <ul style="list-style-type: none"> ○ Improve use of appropriate contractor skill sets vis-à-vis requirements ○ Improve planning <ul style="list-style-type: none"> ▪ Reduce "bridge" contracts ▪ Improve meeting "required by" date ○ Improve contractor evaluations (i.e. CPARS) and uniform application of past performance data ▪ Increase Transparency and Efficiencies Across the Services Lifecycle <ul style="list-style-type: none"> ○ Increase scope and effectiveness of Strategic Sourcing ○ Optimize socio-economic spend ○ Improve services management as part of total force ○ Apply uniform DOD services spend taxonomy 	

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 7	

SSM Metrics. Key metrics are developed on an annual basis during the strategic planning process to provide a framework for measuring overall SSM performance as well as individual portfolio performance. Currently metrics use contract action data pulled from the Federal Procurement Data System – Next Generation (FPDS-NG). Metrics are used by the Portfolio Manager for analysis and communications related to their assigned portfolio.

Measurements against those metrics are performed periodically, or in support of specific events/briefings. Current FPDS-NG data may be used in conjunction with pivot tables to compare against other data (e.g. spend, portfolio, major command, etc). Metrics may eventually be used to populate portfolio management reports, newsletters and online Portfolio dashboards.

Current metrics for the SSM organization are identified below. The associated data business rules and/or constraints are provided in attachment (1):

- New Contract Awards
- Extent Competed
- Number of 1-Bid Offers
- Contract Type
- Small Business Spend

Services Acquisition Forecast. Each year the SSM organization, in conjunction with the Financial Management community, will task the Budget Submitting Organizations (BSOs) and Head of Contracting Activities (HCAs) with providing two years worth of forecasted services acquisition data. The Portfolio Managers will use the forecasts to identify strategic sourcing opportunities, market research opportunities, other general insights, as well as plan their upcoming review schedule. Ultimately, the forecast data will be linked with acquisition, manpower and financial execution data to compare planned to actual. The data elements captured in the Services Acquisition Forecast may change slightly from year to year, however, in general will include the following:

- Fiscal Year of Buy
- New vs. Option Exercise
- Title of Acquisition
- Contract Number (if applicable)
- Task Order Number (if applicable)
- Projected Period of Performance
- Requiring Organization
- Portfolio
- Sub-Portfolio
- Estimated Spend
- Budgeted Spend
- Appropriation
- Projected Award Date
- Contract Type
- Socio-Economic Considerations
- Competitive vs. Sole Source

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 8	

- Full Time Equivalents

The forecast process is further defined in Appendix B . The most current forecast spreadsheet is available on the SSM Sharepoint Portal.

2.2 Analyze



The **ANALYZE** phase may consist of any of a number of different analyses, and supporting activities, including

- Data Management
- Spend Analysis
- Data Analysis
- Market Analysis;
- Opportunity Assessment
- Trend Analysis.

These analyses/activities support all of the other phases of Portfolio Management and in turn, may include the outputs of other phases.

Data Management. The SSM will ensure that full FPDS-NG data sets are available to support all data analysis efforts, including the spend analyses done by Portfolio Managers. The SSM defines the standard data elements for the report based on various SSM team inputs. In addition, the SSM informs the Portfolio Managers of changes in FPDS-NG data elements, descriptions, content, etc that may impact Portfolio Management functions.

Spend Analysis. Spend analysis is the process of aggregating, classifying, and leveraging spend data for the purpose of gaining visibility into cost reduction, performance improvement, and contract compliance opportunities. It may be done at various levels and degrees, depending on the requirement for the spend analysis. In support of the DON Strategic Sourcing process, for example, a high-level organization-wide analysis is done initially to identify potential opportunities. Once an opportunity is identified, a much more detailed spend profile is done.

The SSM uses FPDS-NG to access services contract spend data. FPDS-NG is a federal database established to collect historical information about the Government's procurements. For the SSM organization, it serves as the authoritative source for spend data.

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 9	

Spend analyses play a critical role in services acquisitions as they provide transparent, powerful information that portfolio managers can use to assist in identifying potential opportunities and for making strategic sourcing decisions. Portfolio Managers rely on spend analyses to evaluate spend patterns in order to identify what the organization is buying, how they are buying it, and from which suppliers. Over time, the reports will begin to show trends. This knowledge and understanding can identify results from strategic decision-making and enables organizations to improve their approaches to sourcing goods and services.

A spend analysis assesses the breakdown of spend in terms of:

- Who did the buying? (Contracting Agency)
- Who did the spending? (Requesting Agency)
- How much was spent?
- What type of contract award was used? (BPA, PO, Delivery Order, Definitive Contract)
- What was purchased? (Portfolio Groups/FSC/PSC)
- What was the size of the purchase? (>\$1M, <\$1M, Micro Purchase threshold, etc)
- What acquisition method was used? (Assisted vs. Direct)
- What type of contract was used? (Cost, FFP, T&M, etc)
- Who was awarded the work? (Top 1%, Top 10, Top 100)

Data Analysis. Data analysis is the process of inspecting, cleaning, transforming, and modeling data with the goal of highlighting useful information, suggesting conclusions, and supporting decision making.

FPDS-NG is the primary source of data used by Portfolio Managers. At a minimum, a standard fiscal year dataset will be pulled from FPDS-NG certified data by the SSM. Additional datasets may also be pulled periodically by the SSM to support ongoing analysis, however, it is the Portfolio Manager's responsibility to be familiar with the FPDS-NG data and reporting features to be able to access and analyze key services acquisition data in support of their individual portfolio needs.

In addition to using the data to support metrics, the Portfolio Manager may also use it to identify flaws, gaps, and/or inconsistencies in the data. However, the primary function of data analysis with respect to the SSM Portfolio Managers is to identify risks and opportunities for improvements in services acquisition.

There are numerous tools that support data analysis. As the dataset pull from FPDS-NG results in an MS Excel spreadsheet, the Portfolio Manager may use some of the basic features in MS Excel, such as pivot tables and filters, or may use the SSM-developed Portfolio Scoring Model (PSM). The PSM is a weighted sum model that uses weighted criterion to evaluate services contracting actions. It allows for dynamic scoring and weighting to quickly identify "focus areas" in the large dataset. The model will ultimately provide a means to highlight individual contracting actions, as well as groups of

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 10	

contracting actions, that require additional attention. The model will enable more efficient management of the data associated with services acquisition and will identify potential opportunities for improvement. As the Portfolio Managers utilize the PSM, their input to improvements and viability of the PSM will become important to the upkeep of the tool.

The PSM, and its companion Portfolio Scoring Model Procedure document (i.e. “user guide”), are available on the SSM SharePoint Portal.

Market Analysis Because the Portfolio Manager is expected to be the SME for their assigned portfolio, they must develop and maintain an understanding of the associated supplier market for the range of services within their portfolio. A Market Analysis is the Portfolio Manager’s tool to identify supply and demand levers, new suppliers, and buyer’s leverage.

There are a number of ways in which a Portfolio Manager may collect Market information: they may refer to existing contract vehicles available in the SSM Portals and Tools Repository; they may collect individual market research reports and summarize them based on the services acquired; they may rely on existing Strategic Sourcing Market Analyses developed under the auspices of the Strategic Sourcing Program Management Office (SSPMO); they may subscribe to online market analyses tools; they may conduct in-depth interviews with suppliers and do on-line research to gather independent market research information/intelligence; they may leverage other services market research/intelligence on related services.

The Portfolio Manager should develop Market Profiles for their portfolio, starting with the PSCs with the predominant spend. A Market Profile should answer the following questions:

- How does the commercial market segment the services beyond DON sub-portfolio groupings?
- How does the industry sell this service? (i.e., Eng I, II, III and what are the definitions?)
- Who are the major suppliers that represent this market segment and what is their market share?
- What does the supply chain map look like?
- How many suppliers for this market segment are registered as small businesses?
- What is the Government’s market share as a customer/buyer?
- What are the predominant contract types within DON at the PSC level and what predominant contract structure does industry use?
- What trade, legal, political, and other issues affect the market?
- What are the cost drivers (e.g., what % of direct labor cost makes up the price)?

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 11	

- Are there ways to obtain relevant pricing data for the labor cost and geographical location?
- What are the applicable industry standards and regulations (e.g., insurance, certifications, and licenses)?
- What is the industry revenue trend over the last three years?
- What contracting vehicles and portals currently exist?

Opportunity Assessment. During analyses conducted by the Portfolio Manager, opportunities for improvements in services acquisition may become evident. The opportunities assessment is a high-level process to assess and prioritize opportunities based on an organization-wide spend analysis. These opportunities assessments feed the Strategic Sourcing Process by providing a “big picture” view of what is being purchased and where within the organization. Information on the Strategic Sourcing Process is available on the ASN (RDA) website, at “Acquisition One Source” link:
https://acquisition.navy.mil/home/acquisition_one_source/strategic_sourcing

Trend Analysis. Trend Analysis is the practice of collecting and assessing information to identify a pattern movement, or trend, in the information. During analyses, reviews and assessments conducted by the Portfolio Manager, and as a result of reviewing a collection of acquisition documentation, the Portfolio Manager may identify trends that may point to systemic issues, problems or anomalies. The Portfolio Manager should collect information in a way that trends become more evident. For example, the Portfolio Manager may chose to collect information regarding individual acquisition strategy reviews in a tabular form as shown below:

MOPAS Reviews					
Reviewer					
Portfolio					
HCA	HCA 1	HCA 2	HCA 3	HCA 4	HCA 5
MOPAS Acquisition >>>>	Title: Acquisition Strategy A	Title: Acquisition Strategy B	Title: Acquisition Strategy C	Title: Acquisition Strategy D	Title: Acquisition Strategy E
MOPAS Element					
Clear Outcomes	N	N	N	N	Y
Appropriate Length	N	Y	Y	Y	Y
Appropriate Contract Type	Y	Y	Y	Y	Y
Small Business adequately considered	Y	Y	N	Y	Y
Appropriate Incentives	Y	Y	Y	Y	Y
Appropriate competition	Y	Y	Y	Y	Y
Sufficient Timeline for award	Y	N	Y	N	Y
Covers all required elements	Y	Y	Y	Y	Y
Sufficient detail	Y	Y	Y	Y	Y
Date Reviewed	1/1/2012	2/8/2012	3/28/2012	4/2/2012	4/18/2012

Green - Yes
Red - No
White - N/A

From the example above, the table indicates that “Clear Outcomes” has been an issue in 80% of the acquisition strategies reviewed, and would indicate that this is a trend that may possibly be improved by Portfolio Manager process changes, which may include, but not be limited to improved planning, training, review and/or tool use.

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 12	

2.3 Execute



The **EXECUTE** phase consists of any activity in support of the execution of individual or collective contracting actions. These activities may include:

- Advising requirements owners and acquisition teams
- Documentation reviews
- Peer Reviews
- Policy development, execution and oversight
- Data calls and inquiries

Advising requirements owners and acquisition teams. The primary role of the Portfolio Manager is to serve in an advisory role to the services acquisition community, including HCAs, services advocates, requirements owners, and DASN(AP) stakeholders. The advice provided by the Portfolio Manager may be on a routine basis, such as at regularly scheduled Portfolio meetings; as a result of documentation review or while participating in a peer review; or on an ad-hoc basis.

The Portfolio Manager is expected to be a subject matter expert on services acquisition, and their assigned portfolio. As such, advice may include providing insights into the market for a particular service, identifying potential contracting vehicles or strategic sourcing opportunities, making recommendations regarding PSC assignments, identifying potential tools to support the services acquisition process, and providing lessons learned and best practices. Advice may be formal, such as via Portfolio newsletters, memoranda or reports, or may simply be the response to a phone inquiry.

Documentation Reviews. In support of the execution of services acquisition, DASN (AP) has a responsibility to review and approve certain acquisition documentation, such as Management and Oversight Process for the Acquisition of Services II (MOPAS2) Acquisition Strategies, Justification and Approval (J&As), and Determination and Findings (D&F). Thresholds may vary; however most documentation reviews occur above \$100M.

The primary organization responsible for these documentation reviews within DASN (AP) is the Program Analysis and Business Transformation (PABT) team. The PABT action officers are aligned to HCA/command. When a services acquisition has documentation requiring PABT review, the PABT action officer determines the portfolio alignment and engages with the associated Portfolio Manager. The Portfolio Manager is responsible to

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 13	

provide input with a specific services focus/perspective. Key elements of the review of documentation from a services perspective are identified in the table, below. In addition, the documentation review process is further defined in Appendix B.

In order to provide consistent input to the PABT action officers, the Portfolio Manager uses standard documentation review templates. The most current templates are available on the SSM Sharepoint Portal.

	Tenet	Review Criteria	Primarily Assessed at:
1	Acquisition Strategy: Services acquisitions should have a comprehensive acquisition strategy that reflects program objectives, leverages spend data to arrive at strategic sourcing solutions for the enterprise being supported, incorporates strategic sourcing contracting tools, is developed prior to the issuance of a solicitation (amended as applicable), and is adhered to throughout performance.	Detailed written and approved acquisition strategy	Review/Approval of Acquisition Strategy
2	Clearly Defined Requirements: Service acquisitions should use a performance work statement or statement of objectives that clearly defines the services the program seeks to receive.	Requirements clearly stated	Peer Review
3	Period of Performance: Service acquisitions should employ contract periods of performance of an appropriate length, consistent with technological dependence, industry standards, and sufficient time to reclaim program ownership (in cases with an acquisition history of a single provided) such that fair competition can occur. Service contract length should typically be 3-5 years with certain exceptions (e.g. performance-based logistics and energy-savings performance contracts).	Length of contract appropriate	Review/Approval of Acquisition Strategy
4	Appropriate Contract Type: Service acquisitions should employ contract types, CLIN and pricing structures that are appropriate for the acquisition situation. Time and materials contracts are the least preferable contract type and must be justified when used and limited (e.g. no more than 10% of the contract value).	Contract type appropriate	Review/Approval of Acquisition Strategy
5	Socio-Economic Considerations: The Department highly values small business contributions and expects maximum opportunities for small business participation.	Small business opportunities	Review/Approval of Acquisition Strategy
6	Participation Decision Points: Service acquisitions with longer periods of performance, particularly multiple award contracts, should provide for decision points (on and off ramps) to ensure that the Government has a qualified pool of contractors that will provide continuous service throughout the life of the contract.	Decision points (on and off ramps) for longer term contracts	Review/Approval of Acquisition Strategy
7	Competition: Service acquisition requirements should be articulated in such a way to provide for maximum competition and, for multiple award contracts, throughout the life of the contract with meaningful competition for orders. Evaluation factors are tied to key program requirements.	Approach provides for robust competition	Review/Approval of Acquisition Strategy
8	Objective Incentives: Objective criteria will be utilized, whenever possible, to measure contract performance. Where objective criteria exist, and it is appropriate to also incentivize subjective elements of performance, the most appropriate contract type would be a multiple incentive type contract containing both incentive and award fee criteria.	Award/Incentive Fee set up to reward effective outcomes	Review/Approval of Acquisition Strategy
9	Inherently Governmental Functions: Acquisitions for services must address the extent of the agency's reliance on contractors to perform functions closely associated with inherently governmental functions as required by FAR Subpart 7.5, and DFARS Subpart 207.5	Required determinations appropriately executed	Peer Review

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 14	

10	Conflict of Interests: When one contractor will provide oversight for another contractor or direct work to another contractor, the acquisition documentation should address measures to reduce/eliminate potential conflict of interest.	Evaluate financial interest of support contractors, as required	Peer Review
11	Performance Management: Service acquisitions should utilize performance based characteristics to the maximum extent practicable to include measures that are directly tied to program objectives. These measures should include consideration of program cost.	Meaningful performance measures	Peer Review
12	Contract Surveillance: Service acquisitions must have assigned contracting officer representatives (CORs) that use tailored quality assurance surveillance plans to monitor contractor performance.	Appropriate program oversight	Peer Review
13	Cost: Services acquisitions should compare value of the proposed requirement to historical cost/price.	Validity of cost estimates	Review/Approval of Acquisition Strategy

Peer Reviews. Peer Reviews are primarily documentation reviews; they provide a real-time review of an acquisition during the acquisition process. The emphasis of the Peer Review is on compliance with acquisition policies, procedures and processes. The results of the Peer Review are recommendations for improvements to the acquisition under review. Peer Reviews (1) ensure that contracting officers are implementing policy and regulation in a consistent and appropriate manner; (2) improve quality and effectiveness of the contracting process; and (3) facilitate cross-sharing of best practices and lessons learned. Pre-award Peer Reviews are required on acquisitions for supplies, systems and services. Post-award Peer Reviews are required on contracts for services regardless of award procedures employed in placing the contract.

The primary organization responsible for Peer Reviews within DASN (AP) is the Program Analysis and Business Transformation (PABT) team. The PABT action officer determines the portfolio alignment and engages with the associated Portfolio Manager. The Portfolio Manager is responsible to provide input with a specific services focus/perspective. Similar to the documentation review process, the Portfolio Manager should key on the services acquisition tenets applied in the table above. However, the intent of a Peer Review is to have multiple reviewers assessing the documentation in a consistent manner, so the Portfolio Manager may have to broaden their review to cover the breadth and depth of Peer Review considerations. While a Peer Review is focused on an individual procurement, it may be used for broader application, such as for trend analysis.

The Peer Review process is further defined in Appendix B .

Policy development, execution and oversight. A primary responsibility of the SSM organization is to develop and oversee execution of policy related to services acquisition. The Portfolio Manager may be required to (1) support the development of policy relevant to their assigned Portfolio; (2) engage in the process of executing policy (e.g. reviewing Period of Performance Waivers and

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 15	

recommending approval/disapproval); or (3) monitor and oversee the execution of policy (i.e. ensuring compliance).

These activities may be done on a routine or as-needed basis, or may occur as part of the other responsibilities of a Portfolio Manager, such as during a Health Assessment, for example. In many cases, the Portfolio Manager will need to coordinate with the other DASN (AP) teams, especially the Policy team.

Data calls and inquiries. Requests for data, or other related inquiries are typically assigned to the most relevant Portfolio Manager. The Portfolio Manager is responsible for researching the request, coordinating with other DASN (AP) teams, engaging the HCAs, preparing a consolidated response for SSM review and concurrence, and creating the formal response and associated staffing package. In most cases, data calls and other inquiries should be sent via the HCA Services Advocate.

The Portfolio Manager is also responsible for posting the final results in an appropriate location (e.g. SSM SharePoint, ASN RDA One Source, etc) and coordinating with DASN (AP) administrative staff for formal distribution.

2.4 Assess



The **ASSESS** phase consists of assessments conducted to review services acquisitions, to ensure compliance with policy and directives and/or to assess organizational performance. The assessments a Portfolio Manager may participate in, or support, include:

- Health Assessments
- Procurement Performance Management Assessment Program (PPMAP)
- Services Requirements Review Board
- Measuring Results

Each of the reviews/assessments identified above are distinguished from one another by the intent of the review, the participants, and the associated outcomes. However, each is intended to influence and improve the tradecraft of services acquisition.

Health Assessments. Health Assessments are a comprehensive review of the entire acquisition process for Services, from requirements generation to contract administration. They provide a centralized process to review all service portfolios that leverages that visibility to identify trends, risks and opportunities. The Health Assessment process reviews how the acquisition

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 16	

team developed the requirement, how the acquisition strategy was developed, and how contracting decisions were made. Validation is done by reviewing contracts, the artifacts of the process, and interviewing members of the acquisition team and the Command leadership. Health Assessments are focused on six key areas:

- Requirements Definition
- Market Research
- Contract Administration
- Competition
- Contract Type
- Policy Execution

The outcomes of Health Assessments are the documentation of lessons learned and best practices in terms of business practices and team accomplishments, and may result in business or process changes designed to improve the tradecraft of services and mitigate risk. The health assessment initially establishes a baseline from a retrospective look at data, and uses that information to recommend prospective actions. The Health Assessments are to evaluate the acquisition processes and assess outcomes. Over time the SSM will evaluate execution as an indicator of an in-control process as well as a predictor of the likelihood of acquisition success. Based on these assessments the SSM will move the thresholds of required approvals accordingly.

The Portfolio Manager's responsibilities with respect to Health Assessments are to (1) provide supporting information to the Health Assessment Lead (such as trend data, recommended contract selection using the PSM tool, and Portfolio-specific data analysis) and (2) to participate in selected Health Assessments at the discretion/request of the Health Assessment Lead.

In the future, Health Assessments may be used to impact/define contracting authority and limitations. The Health Assessment process is further defined in Appendix B.

Procurement Performance Management Assessment Program (PPMAP).

The primary objective of the PPMAP is to encourage and assist contracting organizations in making continuous improvements in their acquisition process. PPMAPs are an assessment of contracting for services and supplies; the emphasis is on overall compliance based on a sampling of contracting actions. PPMAPs involve a historical view of acquisition data; they are not forward looking. The end result is a comprehensive report. Ratings for the HCA organization may be highly satisfactory, satisfactory, marginal, or unsatisfactory.

Portfolio Manager's may, on occasion, be asked to participate in the PPMAP process, but it is not one of their primary responsibilities. However, they will likely use the results of PPMAPs as an input to Health Assessment and/or for trend analysis.

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012		Version 1.0	Page 17

Services Requirements Review Board (SRRB). The SSM organization issued guidance with respect to reviewing individual services acquisitions. The purpose of the SRRB guidance is to establish uniformity with respect to the process(es) to identify, validate, assess, plan, and monitor service acquisitions across the Department of Navy (DON), ensuring accountability of all DON portfolio service acquisition requirements. The SRRB process is intended to optimize and validate current and future Service Acquisition requirements spend and on management of contracted services in the constrained fiscal environment.

Each HCA is responsible for implementation and execution of their internal SRRB process and the Portfolio Managers are not typically participants. In accordance with current guidance, the Portfolio Manager should be provided access to the summary data and results as an output of the SRRB, as applicable to their assigned portfolio, as another element of capturing issues/opportunities and identifying trends. Full documentation related to the SRRB process is available in the SSM SharePoint Portal.

Measuring Results.

A key component of the SSM strategic plan involves measuring results for evaluating and adjusting strategy. These measurements are evaluation checkpoints to measure operational results towards meeting the SSM's objectives. They must occur at regularly scheduled intervals and be specific enough to measure the elements of strategy implementation.

Measuring results will allow the SSM organization to consider both the following issues, and how the SSM is improving them. The issues include, but are not limited to the following types of questions:

- Is actual performance different than expected and why?
- How do SSM performance results compare to those of other similar organizations (or to recognized industry standards) and why?
- Which performance gaps are most important to close?

Results are shared with SSM's stakeholders and decision-makers via periodic reports, meetings and reviews in order to communicate progress, enlist support, and to drive organizational and acquisition improvements.

As the SSM develops expectations, goals and guidance regarding measurable results, Portfolio Managers will develop and monitor appropriate metrics to determine compliance with stakeholder expectations. Metric compliance data will inform SSM processes, oversight and execution, including, but not limited to health assessments, policy development, data calls, and efficiency improvements. In addition, as metric compliance becomes more robust, this information will be provided to the Service Advocates as part of the regular reports regarding HCA execution of services acquisition.

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 18	

2.5 Share



The **SHARE** phase consists of communicating to and from executive sponsors, executive leadership, SSM team members, and other internal and external stakeholders. The SSM Communication Plan identifies the range of communications and the associated strategies; it is available on the SSM SharePoint portal.

There are many communication opportunities and methods; those most applicable to the Portfolio Manager are as follows.

- Periodic Portfolio Reviews/Meetings
- Portfolio-focused Newsletters and Online Resources
- Portfolio Management Reports and Dashboards

Periodic Portfolio Reviews/Meetings. In order for the Portfolio Managers to be effective, they must be engaged with key stakeholders, including the Services Advocates, HCAs, and individual services acquisition teams, as well as the other Service SSM organizations. Reviews/Meetings may be regularly scheduled events, or ad-hoc to meet the needs of a particular organization/procurement.

The primary intent of these communications are as follows:

- Awareness - who the Portfolio Managers are, what services they offer, SSM organizational goals and objectives
- Information Sharing – portfolio statistics, policy, guidance, lessons learned, best practices
- Input – specific recommendations for improvements in services acquisition
- Interchange – Tri-Service portfolio management sharing of ideas

Portfolio Managers should use discretion when creating recurrent meetings and be mindful of the time constraints and potential inconveniences (e.g. travel) of the participants. Services Advocates, for example, are generally very high level individuals with responsibilities much broader than services acquisition. Interaction with them may be limited; consider establishing an appropriate portfolio action officer or liaison, to work more routine issues.

Portfolio-focused Newsletters and Online Resources. Newsletters and online resources are important ways in which to communicate Portfolio information. Dashboards and reports are particularly effective in communicating key portfolio metrics, trends and other related management information.

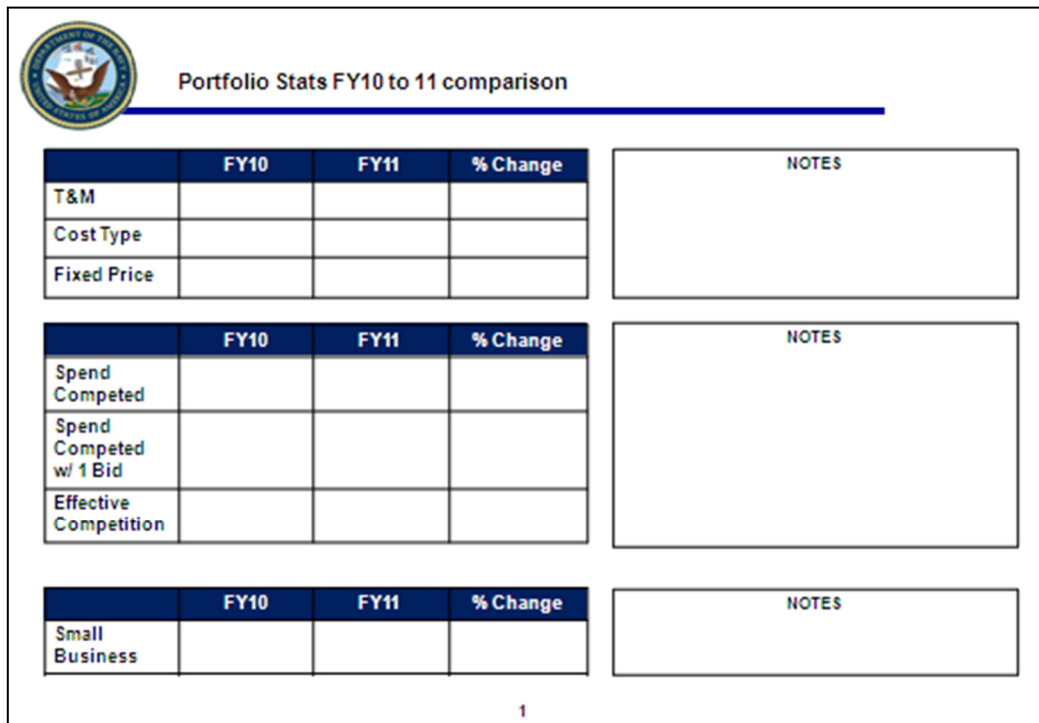
Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 19	

Newsletters provide a simple and relatively low-tech means to communicate to a wide community. Newsletters may be issued on a regular schedule. Portfolio Managers may be required to support these communication efforts by developing articles that are designed to inform the service acquisition community on service acquisition issues, concerns, or improvements. Once online resources, such as websites and portals, are established, the newsletter may be discontinued or incorporated into the online resource. In the future, the SSM will be developing online resources, including websites and dashboards with drill-down capabilities. DAU's Service Acquisition Mall and Acquisition Community Connection also offer an effective means to share Portfolio information and guidance.

Portfolio Management Reports and Dashboards. The Portfolio Manager may generate periodic reports and dashboards to share with internal and external stakeholders. The reports should be tailored to the audience and clearly identify key data, trends and issues.

The Portfolio Manager Guide, on the SSM SharePoint portal, provides a useful format for sharing key Portfolio Information. Some selected snapshots from the Portfolio Manager Guide are shown in the graphic below.

Portfolio Manager Guide Snapshots



The screenshot displays the 'Portfolio Stats FY10 to 11 comparison' section of the Portfolio Manager Guide. It features three tables, each with a 'NOTES' column to the right. The first table compares T&M, Cost Type, and Fixed Price. The second table compares Spend Competed, Spend Competed w/ 1 Bid, and Effective Competition. The third table compares Small Business. Each table has columns for FY10, FY11, and % Change.

	FY10	FY11	% Change	NOTES
T&M				
Cost Type				
Fixed Price				

	FY10	FY11	% Change	NOTES
Spend Competed				
Spend Competed w/ 1 Bid				
Effective Competition				

	FY10	FY11	% Change	NOTES
Small Business				

1

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012		Version 1.0	Page 20



for entire portfolio

Portfolio Sample Dashboard – Facility Related Services

EXAMPLE DATA

EQUIPMENT RELATED SERVICES

Planned Activities

- 2 acquisition reviews
- Market Research
- Contact top internal buyers to identify best practices
- Xxxxx
- Xxxx

Findings

- Market intelligence reports are useful for HOAs
- Lots of small business suppliers
- Competitive one-bids are due to restrictive requirements
- Lots of reuse of previous SOWs
- Lot of T&M due to doing it the way it was done last time

Opportunities

- Opportunity to move from T&M to FFP for existing requirements
- Opportunity to better communicate market intelligence
- Opportunity for use of ARRT and SAW for requirements development
- Opportunity to increase socio-economic spend through better requirements development

OVERALL HEALTH OF PORTFOLIO



4

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 21	

2.6 Records Control Table

Description (no. and name)	Storage Location	Filing / Index	Minimum Storage Period

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 22	

Appendix A – Document Change Control

This chart contains a history of the revisions made to this document. Typically the document itself should be stored in revision control, and a brief description of each version should be entered in the revision control system. This may be unnecessary given SharePoint's functionality.

Revision Number	Date of Issue	Author(s)	Brief Description of Change
1.0	2012-08-07	McCormick, Patricia	Initial Release

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan		Date 8/7/2012	Version 1.0	Page 23

Appendix B – SIPOC Diagrams

A SIPOC (Supplier – Inputs – Process – Outputs – Customer) diagram is a high level process map. SSM has developed a series of SIPOCs related to its core processes. A full inventory is available on the SSM SharePoint portal; those that are related to Portfolio Management are included here.

B-1 Services Acquisition Forecast

Suppliers	Inputs	Process (Name)	Outputs (Requirements)	Customer
SSM	Prior year forecast and responses (if applicable); engage requirements owners for input into process	Prepare/Update Forecast Data Call Package (spreadsheet and forwarding memo)	Updated and fully staffed data call	ASN FMC
ASN FMC	Forecast Data Call Package	Issue Formal Data Call	Email to BSOs with Forecast Data Call Package attached.	BSOs
BSO	Forecast Data Call	Prepare Responses to Data Call	BSO consolidated Forecast (completed spreadsheet)	ASN FMC, SSM
SSM	BSO Forecasts	Analyze Data & reconcile with other acquisition, financial and manpower execution data	Analyses, Reports and recommendations	Portfolio Managers, PABT
SSM	BSO Forecasts	Share forecast with other stakeholders	Emails to stakeholders with BSO forecasts attached	OSBP, ASN FMC, ASN M&RA, SSWC

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 24	

B-2 Document Review Process

Document Review Process				
Suppliers	Inputs	Key Process Steps	Outputs	Customer
PABT	J&A	Review: competition, POP, market research, requirement/PWS, small business, contract type, rationale for eliminating barriers to competition.	provide comments specific to document/ assess rationale, determine trends w/in the HCA and across DON/identify best practices/lessons learned w/in HCA and DON/share w/DoD	PABT/HCA/Health Assessment Team/Portfolio Mgr
PABT	MOPAS	Review: competition, POP, market research, requirement/PWS, small business, contract type, contract administration, rationale for eliminating barriers to competition, QASP, IGE, all supporting documents referenced.	provide comments specific to document/ assess rationale, determine trends w/in the HCA and across DON/identify best practices/lessons learned w/in HCA and DON/share w/ DoD	PABT/HCA/Health Assessment Team/Portfolio Mgr
PABT	D&F (single award vs. multiple IDIQ)	Review: competition, POP, market research, requirement/PWS, small business, contract type, metrics, rationale for eliminating barriers to competition.	provide comments specific to document/ assess rationale, determine trends w/in the HCA and across DON/identify best practices/lessons learned w/in HCA and DON/share w/ DoD	PABT/HCA/Health Assessment Team/Portfolio Mgr
PABT/HCA, Source Dec 21, 2011 DASN AP Dir, Ser Acq . Exceptions: for KBS using multiple IDIQ, FFRDC, UARC.	> \$100M, SSM waiver of 3 or 5 year POP/ Business case: market analysis, risk analysis, and cost effectiveness.	Review: competition, POP, market research, requirement/PWS, small business, contract type, metrics, rationale for eliminating barriers to competition.	comment/ DON SSM approval	PABT/HCA/Health Assessment Team/Portfolio Mgr

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 25	

B-3 Peer Review Process

Suppliers	Inputs	Process (Name)	Outputs (Requirements)	Customer
HCA	Acquisition Planning Process - identification of service acquisitions in Peer Review threshold	Submit Peer Review Forecast	Peer Review Forecast	Peer Review Focal Point
Peer Review Focal Point	Peer Review Forecast; Submission of Acquisition Strategy	Assemble Peer Review Team	List of Peer Review team members	Peer Review Lead and members
Peer Review Focal Point	List of Peer Review team members	Provide Peer Review Portal Access	Portal Access and email notification to team members	Peer Review Lead and members
HCA	Peer Review Documentation	Upload Peer Review Documentation	Peer Review Documentation in Portal	Peer Review Team
Peer Review Team	Peer Review Documentation	Review Documentation	Questions and comments	Peer Review Lead
HCA	Questions and comments	Address questions/concerns	Recommendations	Peer Review Lead
Peer Review Lead	Recommendations	Develop Final Peer Review Report	Final Peer Review Report and forwarding memo	HCA
Peer Review Focal Point	Final Peer Review Report(s)	Capture and Disseminate Lessons Learned and Best Practices	Best Practices and Lessons Learned posted on Peer Review website	HCA's

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 26	

B-4 Health Assessment Process

Suppliers	Inputs	Key Process Steps	Outputs	Customer
SSM, Service Advocates, Syscoms (NDAA xxx)	Syscom availability, RO availability, Travel funds, Team availability	Scheduling (Phone coordination)	Range of dates, travel funding, schedule deconfliction, written visit notification	Syscoms, RO's
FPDS, Data Analyst	Contracts, MOPAS, Peer reviews, Svcs Rqmts Rev Bd, Seaport E qtrly rpts, DASN scoring model, pre-visit survey, PPMAP rpts, portfolio mgrs recommendations	Data Collection	Syscom filtered contracts file	Health Assessment Team
	Team review, Syscom coordination	Date validation	Contracts for HA review	Health Assessment Team
		Contract selection		
	Team review, EDA files, Syscom files, PABT notes	Pre-visit Team Review	Team questions	Health Assessment Team
	Syscom filtered contracts file, metrics slides	Build In-Brief	Syscom brief	Health Assessment Team, Syscom, RO's
	JPAS, travel orders, Syscom 5050, facilities	Conduct On Site Visit	Interviews	Health Assessment Team, Syscom
	Interview notes	Build Out brief	Syscom briefs	Syscoms, RO's
	Team Notes, Post Assessment Survey	Assessment Report	Lessons Learned, Action Items, Policy, Guidance	Syscoms, RO's
		Post Assessment Feedback	Process improvements, Policy (risk mitigation), Portfolio Mgt input	

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 27	

Attachment 1 – Portfolio Metrics

- **New Contract Awards**
 - Modification Number field = “0”
 - Referenced IDV PIID field = “Blank”
 - Action Obligation field = spend
- **Extent Competed**
 - For Competitive Spend - Extent Competed field = "Full and Open Competition", "Full and Open Competition After Exclusion of Sources", and "Competed Under SAP"
 - For Spend Not Competed – “Not Available for Competition”, “Not Competed”, and “Not Competed Under SAP”
 - Action Obligation field = spend
 - This should be based on New Contract Awards for our metrics (although DON calculations are currently on all awards)
- **Number of 1-Bid Offers (methodology is based on new awards – steps c and d)**
 - Extent Competed field = "Full and Open Competition", "Full and Open Competition After Exclusion of Sources", and "Competed Under SAP"
 - Number of Offers Received field = “1”
 - Modification Number field = “0”
 - Referenced IDV PIID field = “Blank”
 - Action Obligation field = spend
- **Contract Type**
 - Type of Contract field –Group the Costs contracts, Fixed Price contracts, and T&M with Labor Hours.
- **Small Business Spend**
 - Contracting Officer’s Business Size Selection field = “Small Business”
 - Action Obligation field = spend
 - Based on all spend (not new awards)

Organization Senior Services Manager		Title/Subject Portfolio Management Process		Number PROC-SSM-2	
Owner K. Brennan	Approved by K. Brennan	Date 8/7/2012	Version 1.0	Page 28	